

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

-v-

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

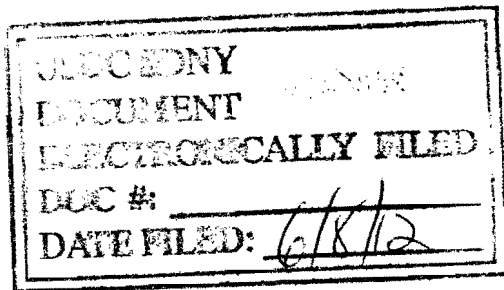
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In re:

MADOFF SECURITIES
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PERTAINS TO:

Picard v. Steven B. Mendelow et al.,
11 Civ. 7680 (JSR).
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JED S. RAKOFF, U.S.D.J.



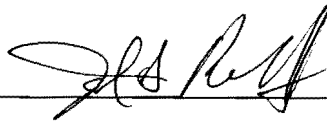
12 MC 115 (JSR)

ORDER

The defendants in 11 Civ. 7680 have moved to withdraw the reference to the Bankruptcy Court of the adversarial proceeding brought against them by Irving H. Picard, the trustee appointed to liquidate the estate of Bernard L. Madoff Investment Securities, LLC pursuant to the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. The Court's previous orders have resolved two of the issues raised by the defendants' motions. See Order Regarding § 546(e) dated May 15, 2012; Order Regarding Stern v. Marshall dated April 13, 2012. The Court directs the parties to continue according to the procedures

outlined in those orders. The defendants also raise an issue on which the Court has previously declined to withdraw the reference: whether the Court should withdraw for "cause shown" based on defendants' right to a jury trial. See Picard v. Conn. Gen. Life Ins. Co., 11 Civ. 7174 (JSR) (S.D.N.Y. May 29, 2011).¹ For the reasons stated in Conn. Gen. Life Ins., the Court denies the defendants' motion to withdraw the reference on this basis. The Clerk of the Court is hereby ordered to close item number 1 on the docket of 11 Civ. 7680.

SO ORDERED.



JED S. RAKOFF, U.S.D.J.

Dated: New York, New York

June 7, 2012

¹The defendants also argue that the Court should withdraw for "cause shown" based on the need for judicial uniformity and economy. See In re Orion Pictures Corp., 4 F.3d 1095, 1101 (2d Cir. 1993). Nonetheless, the Court has consolidated merits briefing on issues that require substantial and material interpretation of bankruptcy law across the cases that have raised those issues in motions for withdrawal. Such consolidation will allow the court to consider each issue only once and to finally resolve each issue for all of the cases that present it. The defendants are participating in the consolidated briefing. The Court's present approach resolves the relevant issues far more economically and uniformly than the approach the defendants propose, which would entail withdrawal of hundreds of cases in their entirety and resolution by the District Court of issues that involve only consideration of bankruptcy law. Accordingly, the Court declines to withdraw the reference of the entire case for the reasons the defendants identify.